



1 to Sections 13(b) and 19 of the Federal Trade Commission Act (“FTC Act”), 15 U.S.C.  
2 §§ 53(b) and 57b, Section 5 of the Restore Online Shoppers’ Confidence Act  
3 (“ROSCA”), 15 U.S.C. § 8404, and Section 918(c) of the Electronic Fund Transfer Act  
4 (“EFTA”), 15 U.S.C. § 1693o(c). The Commission and Defendants AH Media Group,  
5 LLC, and Henry Block (collectively, “Stipulating Defendants”), stipulate to the entry of  
6 this Stipulated Order for Permanent Injunction and Monetary Judgment (“Order”) to  
7 resolve all matters in dispute in this action between them.

8 **THEREFORE, IT IS ORDERED** as follows:

9 **FINDINGS**

10 A. This Court has jurisdiction over this matter.

11 B. The Amended Complaint charges that Defendants participated in deceptive  
12 and unfair acts or practices in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a),  
13 Section 4 of the Restore Online Shoppers’ Confidence Act (“ROSCA”), 15 U.S.C.  
14 § 8403, and Section 907(a) of the Electronic Fund Transfer Act (“EFTA”), 15 U.S.C.  
15 § 1693e(a), and Section 1005.10(b) of Regulation E, 12 C.F.R. § 1005.10(b), in the  
16 marketing and sale online of skin care products and weight loss supplements.

17 C. Stipulating Defendants neither admit nor deny any of the allegations in the  
18 Amended Complaint, except as specifically stated in this Order. Only for purposes of  
19 this action, the Stipulating Defendants admit the facts necessary to establish jurisdiction.

20 D. Stipulating Defendants waive any claim they may have under the Equal  
21 Access to Justice Act, 28 U.S.C. § 2412, concerning the prosecution of this action  
22 through the date of this Order, and agree to bear their own costs and attorney fees.

23 E. Stipulating Defendants waive all rights to appeal or otherwise challenge or  
24 contest the validity of this Order.

25 **DEFINITIONS**

26 For purposes of this Order, the following definitions apply:





1 J. **“Receivership Entities”** means the Corporate Defendant and its  
2 subsidiaries, affiliates, successors, and assigns, including but not limited to, KA Ketterlin,  
3 LLC; AE Hart, LLC; Understated Investments, LLC; JBE Investments, LLC; ANS  
4 Investments, LLC; SAM Investments, LLC; ESM Investments, LLC; MOOD  
5 Investments, LLC; EEG Investments, LLC; AMES Investments, LLC; LAB Investments,  
6 LLC; ELANN Investments, LLC; KDUR Investments, LLC; BEAN Investments, LLC;  
7 PIAUR Investmnts, LLC; EEG gfA57 7992.4(nts, LLC; SAM Inve]2313 8(53 TD-.LE Lim, in3  
8 22.325 Tw[1.821467(6)38estments176 88.9186 P~~B~~vesRD.TING TO NEG.TIVE OP-.00FEATU

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28



1           6.     The duration of Corporate Defendant’s refund and cancellation policy,  
2 including the date that it begins to run.

3                           **III.   OBTAINING EXPRESS INFORMED CONSENT**

4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28



1 restrained and enjoined from:

2 A. Failing to timely obtain written authorization signed or similarly  
3 authenticated by the consumer for any Preauthorized Electronic Fund Transfer from a  
4 consumer's account before initiating any Preauthorized Electronic Fund Transfer; or

5 B. Failing to timely provide the consumer a copy of a valid written  
6 authorization signed or similarly authenticated by the consumer for any Preauthorized  
7 Electronic Fund Transfer.

8 **V. MONETARY JUDGMENT AND PARTIAL SUSPENSION**

9 **IT IS FURTHER ORDERED** that:

10 A. Judgment in the amount of SIXTY-SEVEN MILLION DOLLARS  
11 (\$67,000,000) is entered in favor of the Commission against Stipulating Defendants,  
12 jointly and severally, as equitable monetary relief. The liability of Stipulating Defendants  
13 for the judgment shall be joint and several with any and all other Defendants named in  
14 the Complaint against whom the Court may enter judgment, jointly and severally, for  
15 equitable monetary relief.

16 B. In partial satisfaction of this judgment:

- 17 1. Stipulating Defendant Henry Block shall pay to Plaintiff ONE MILLION  
18 FORTY-FIVE THOUSAND DOLLARS (\$1,045,000). By his signature  
19 below, Stipulating Defendant Henry Block confirms that \$700,000 is  
20 currently held by his undersigned counsel in a client trust account for no  
21 purpose other than payment to the Commission. In complying with this  
22 subsection, Stipulating Defendant Henry Block is ordered, within 10 days  
23 of entry of this Order, to transfer to the Commission the \$700,000 in the  
24 client trust account, and to pay an additional \$345,000 (for a total of  
25 \$1,045,000), to the Commission in accordance with instructions that have  
26 been provided by a representative of the Commission.



1 D. The Commission’s agreement to the suspension of part of the judgment is  
2 expressly premised upon the truthfulness, accuracy, and completeness of Stipulating  
3 Defendants’ sworn financial statements and related documents (collectively, “financial  
4 representations”) submitted to the Commission, namely:

- 5 1. Henry Block’s July 31, 2019 sworn Financial Statement of Individual  
6 Defendant, including attachments, as revised on September 12, 2019;
- 7 2. Henry Block’s July 28, 2019 Cryptocurrency Financial Statement;
- 8 3. AH Media Group LLC’s July 31, 2019 sworn Corporate Financial  
9 Disclosure Form, including attachments;
- 10 4. Affidavit for Assets of Defendants AH Media Group, LLC and Henry  
11 Block, dated July 31, 2019;
- 12 5. Affidavit of Henry Block Regarding Spousal Property, dated August 12,  
13 2019; and
- 14 6. Affidavit of Henry Block Regarding Dynamic Body Solutions 1 LLC  
15 Account, dated August 23, 2019.

16 E. The suspension of the judgment will be lifted as to any Stipulating  
17 Defendant if, upon motion by the Commission, the Court finds that the Stipulating  
18 Defendant failed to disclose any material asset, materially misstated the value of any  
19 asset, or made any other material misstatement or omission in the financial  
20 representations identified above.

21 F. If the suspension of the judgment is lifted, the judgment becomes  
22 immediately due as to that Stipulating Defendant in the amount specified in Subsection A  
23 above (which the parties stipulate only for purposes of this Section represents the  
24 consumer injury alleged in the Amended Complaint), less any payment previously made  
25 pursuant to this Section, plus interest computed from the date of entry of this Order.

26 G. Stipulating Defendants relinquish dominion and all legal and equitable right,  
27



1 **VI. CUSTOMER INFORMATION**

2 **IT IS FURTHER ORDERED** that Stipulating Defendants, their officers, agents,  
3 employees, and attorneys, and all other persons in active concert or participation with any  
4 of them, who receive actual notice of this Order, are permanently restrained and enjoined  
5 from directly or indirectly:

6 A. Failing to provide sufficient customer information to enable the Commission  
7 to efficiently administer consumer redress. Stipulating Defendants represent that they  
8 have provided all redress information in their possession or control to the Commission.  
9 If a representative of the Commission requests in writing any information related to  
10 redress, Stipulating Defendants must provide it, in the form prescribed by the  
11 Commission, within 14 days.

12 B. Disclosing, using, or benefitting from customer information, including the  
13 name, address, telephone number, email address, social security number, other  
14 identifying information, or any data that enables access to a customer's account  
15 (including a credit card, bank account, or other financial account), that any Defendant  
16 obtained prior to entry of this Order in connection online transactions promoting or  
17 offering for sale any good or service with a Negative Option Feature.

18 C. Failing to destroy such customer information in all forms in their possession,  
19 custody, or control within 30 days after receipt of written direction to do so from a  
20 representative of the Commission.

21 *Provided, however,* that customer information need not be disposed of, and may be  
22 disclosed, to the extent requested by a government agency or required by law, regulation,  
23 or court order.

24 **VII. COOPERATION**

25 **IT IS FURTHER ORDERED** that Stipulating Defendant must fully cooperate  
26 with representatives of the Commission in this case and in any investigation related to or

1  
2  
3

1 B. Upon completion of the above tasks, the duties of the Receiver shall  
2 terminate.

3 **IX. DISSOLUTION OF ASSET FREEZE**

4 **IT IS FURTHER ORDERED** that the freeze on assets of Defendants imposed  
5 pursuant to the Temporary Restraining Order entered on July 18, 2019 (Dkt. #26) and the  
6 Preliminary Injunction entered on August 28, 2019 (Dkt. #52), is modified to permit the  
7 payments and other transfers identified in Section V above. Upon completion of all  
8 payments and other obligations identified in Sections V and VIII above, the asset freeze  
9 is dissolved as to Stipulating Defendants. A financial institution shall be entitled to rely  
10 upon a letter from a representative of the Commission stating that the freeze on a  
11 Stipulating Defendant's assets has been lifted.

12 **X. ORDER ACKNOWLEDGEMENTS**

13 **IT IS FURTHER ORDERED** that Stipulating Defendants obtain  
14 acknowledgments of receipt of this Order:

15 A. Each Stipulating Defendant, within 7 days of entry of this Order, must  
16 submit to the Commission an acknowledgment of receipt of this Order sworn under  
17 penalty of perjury.

18 B. For 5 years after entry of this Order, the Individual Defendant for any  
19 business that such Individual Defendant, individually or collectively with any other  
20 Defendants, is the majority owner or controls directly or indirectly, and each Corporate  
21 Defendant, must deliver a copy of this Order to: (1) all principals, officers, directors, and  
22 LLC managers and members; (2) all employees having managerial responsibilities for  
23 conduct related to the subject matter of the Order and all agents and representatives who  
24 participate in conduct related to the subject matter of the Order; and (3) any business  
25 entity resulting from any change in structure as set forth in the Section titled Compliance  
26







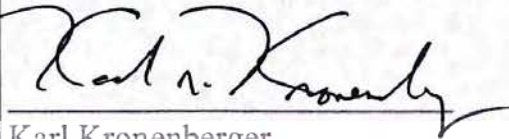




1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

FOR STIPULATING DEFENDANTS.



Date: 3-26-20

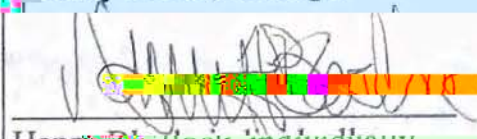
Karl Kronenberger  
Liana Chen  
Kronenberger & Chen, LLP  
150 West Street, Ste 500  
San Francisco, CA 94108  
karl@krinternetlaw.com  
liana@krinternetlaw.com  
(415) 774-1114 ext. 114  
*Attorneys for Defendants*

STIPULATING DEFENDANTS.



Date: 3/26/20

AH Medina Group LLC by  
[Redacted]



Date: 3/26/20

Henry Block, individualy